State of Idaho
DEPARTMENT OF WATER RESOURCES
322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 24, 2014

Donald G. Smith
(b) (6)

RE: Joint Application for Permit No. S79-20030
Salmon River

Dear Mr. Smith:

The Idaho Department of Water Resources (IDWR) has reviewed your above referenced application for a permit to alter the Salmon River and has prepared a decision as provided for in Section 42-3805, Idaho Code. The conditions set forth in this permit are intended to prevent degradation of water quality, protect fish and wildlife habitat, and protect the long-term stability of the stream channel. If you cannot meet the conditions set forth in the permit, please contact this office for further consideration.

Your project has been determined to meet the Stream Channel Alteration Rules, IDAPA 37.03.07 Minimum Standards (Rule 55). You may consider this letter a permit to construct your project according to your attached application, dated February 11, 2014 including diagrams. Project activities include operating a suction dredge on the Salmon River to prospect for gold. The project location is within Section 10, Township 24 North, Range 01 East, Boise Meridian, Idaho County, Idaho.

You are responsible for complying with all local, state and federal permit requirements and/or authorizations prior to operating dredge mining equipment at the location authorized under this permit. This permit does ***not*** serve in lieu of other permits that may be required by other state or federal agencies. You should contact the appropriate land owner or land management agency to determine if additional permits or authorization is required. The U.S. Environmental Protection Agency is responsible for administering the National Pollutant Discharge Elimination System (NPDES) permit program in Idaho and should be contacted on their requirements with respect to the use of dredge mining equipment in Idaho.

Failure to adhere to the conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code. This project is subject to the following Minimum Standards, Special and General Conditions.

MINIMUM STANDARDS:

These standards are established in the Administrative Rules of the Idaho Water Resources Board; Stream Channel Alteration Rules, IDAPA 37.03.07 dated July 1, 1993 and are enclosed with this permit.

Rule 56 - Construction Procedures
Rule 64 - Suction Dredges and Non-Powered Sluice Equipment

SPECIAL CONDITIONS:

[1] All dredging activities shall be completed in accordance with the descriptions and methods on the attached application, diagrams, and Stream Channel Alteration by Recreational Mining Activities IDWR Program Instructions (as updated by IDWR annually).

[2] Permittee shall conduct work between May 25 to September 30.

[3] Aaron Golart, State Coordinator, Stream Protection Program (208) 287-4941, shall be contacted no less than five business days prior to any in water-work. Failure to do so may result in annulment of the above referenced permit.

[4] All activities shall be conducted in such a manner as to minimize turbidity and comply with Idaho water quality standards.

[5] All fuel, oil and other hazardous materials shall be stored and equipment refueled away from the stream channel to ensure that a spill will not enter the waterway.

[6] This permit shall expire September 30, 2015.

GENERAL CONDITIONS:

1. This permit does not constitute any of the following:
   a. An easement or right-of-way to trespass or work upon property belonging to others.
   b. Other approval that may be required by Local, State or Federal Government, unless specifically stated in the special conditions above.
   c. Responsibility of the IDWR for damage to any properties due to work done.
   d. Compliance with the Federal Flood Insurance Program, FEMA regulations or approval of the local Planning and Zoning authority.

2. In accordance with Sections 55-2201 - 55-2210, Idaho Code, the applicant and/or contractors must contact Digline statewide phone number 1-800-342-1585 (Boise area 208-342-1585) not less than three working days prior to the start of any excavation for this project.

3. The permit holder or operator must have a copy of this permit at the alteration site, available for inspection at all times.

4. The IDWR may cancel this permit at any time that it determines such action is necessary to minimize adverse impact on the stream channel.

Conditions and construction procedures approved under this permit may not coincide with the proposal as submitted. Failure to adhere to conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code.

If you object to the decision issuing this permit with the above conditions, you have 15 days in which to notify this office in writing that you request a formal hearing on the matter. If an objection has not been received within 15 days, the decision will be final under the provisions of IDAPA 37.03.07 (Rule 70).

Please contact Aaron Golart (208) 287-4941 or aaron.golart@idwr.idaho.gov if you have any questions regarding this matter.

Sincerely,

Aaron Golart
State Coordinator
Stream Protection Program

cc: Senator Sheryl L. Nuxoll, District 7, Cottonwood
Representative Paul E. Shepherd, District 7, Riggins
Commissioner Jim Chmelik, Idaho County, Grangeville
Jerry Zumalt, Idaho County, Grangeville
Jonathan Oppenheimer, Idaho Conservation League, Boise
Lance Holloway, Idaho Department of Environmental Quality, Boise
Ray Hennekey, Idaho Department of Fish and Game, Lewiston
Diane Green, Idaho Department of Lands, Idaho Falls
Kevin Lewis, Idaho Rivers United, Boise
David Mabe, National Marine Fisheries Service, Boise
Greg Martinez, US Army Corps of Engineers, Idaho Falls
Tracy DeGering, US Environmental Protection Agency, Boise
Ron Miller, Commenter, Stites

064. SUCTION DREDGES AND NON-POWERED SLUICE EQUIPMENT (RULE 64).

01. Standards for Suction Dredges. The following standards shall apply only to uses of suction dredges with nozzle diameter of five (5) inches or less and rated at fifteen (15) HP or less and non-powered sluice equipment moving more than one-quarter (1/4) cubic yard per hour. (7-1-93)

02. Operating Permit. A permit for the operation of a suction dredge may authorize the use of the dredge within a drainage basin or a large portion of a drainage basin except as otherwise determined by the Director. (7-1-93)

03. Mechanized Equipment Prohibited Below High Water Mark. There shall be no use of mechanized equipment below the mean high water mark except for the dredge itself, and any life support system necessary to operate the dredge. (7-1-93)

04. Operation of Dredge. The operation of the dredge shall be done in a manner so as to prevent the undercutting of streambanks. (7-1-93)

05. Permit Required for Non-Powered Operation -- More Than Five People. A permit shall be required for any non-powered operation in which more than five (5) people are working the same area. (7-1-93)

06. Permit Required for Non-Powered Operation -- More Than Thirty-Three Percent of Stream Width. A permit shall be required for any non-powered operation if the disturbed area exceeds thirty-three percent (33%) of the stream width at the mining location. (7-1-93)

07. Limitation of Mining Sites. Only one (1) mining site per one hundred (100) linear feet of stream channel shall be worked at one (1) time unless waived by the Director. (7-1-93)

RECEIVED
FEB 14 2014
DEPARTMENT OF
WATER RESOURCES

JOINT APPLICATION FOR PERMITS

U.S. ARMY CORPS OF ENGINEERS - IDAHO DEPARTMENT OF WATER RESOURCES - IDAHO DEPARTMENT OF LANDS

Authorities: The Department of Army Corps of Engineers (Corps), Idaho Department of Water Resources (IDWR), and Idaho Department of Lands (IDL) established a joint process for activities impacting jurisdictional waterways that require review and/or approval of both the Corps and State of Idaho. Department of Army permits are required by Section 10 of the Rivers & Harbors Act of 1899 for any structure(s) or work in or affecting navigable waters of the United States and by Section 404 of the Clean Water Act for the discharge of dredged or fill materials into waters of the United States, including adjacent wetlands. State permits are required under the State of Idaho, Stream Protection Act (Title 42, Chapter 38, Idaho Code and Lake Protection Act (Section 58, Chapter 13 et seq., Idaho Code). In addition the information will be used to determine compliance with Section 401 of the Clean Water Act by the appropriate State, Tribal or Federal entity.

Joint Application: Information provided on this application will be used in evaluating the proposed activities. Disclosure of requested information is voluntary. Failure to supply the requested information may delay processing and issuance of the appropriate permit or authorization. **Applicant will need to send a completed application, along with one (1) set of legible, black and white (8½"x11"), reproducible drawings that illustrate the location and character of the proposed project / activities to both the Corps and the State of Idaho.**

See Instruction Guide for assistance with Application. Accurate submission of requested information can prevent delays in reviewing and permitting your application. Drawings including vicinity maps, plan-view and section-view drawings must be submitted on 8-1/2 x 11 papers.

Do not start work until you have received all required permits from both the Corps and the State of Idaho

FOR AGENCY USE ONLY			
USACE NWW-	Date Received:	☐ Incomplete Application Returned	Date Returned:
Idaho Department of Water Resources No. S79-20030	Date Received: 2/14/2014	☒ Fee Received DATE: 2/14/2014	Receipt No.: CB98323
Idaho Department of Lands No.	Date Received:	☐ Fee Received DATE:	Receipt No.:

INCOMPLETE APPLICANTS MAY NOT BE PROCESSED

1. CONTACT INFORMATION - APPLICANT Required:			2. CONTACT INFORMATION - AGENT:		
Name: Donald G. Smith			Name:		
Company: I am acting as an individual			Company:		
Mailing Address: (b) (6)			Mailing Address:		
City: (b) (6)	State: (b)	Zip Code: (b)	City:	State:	Zip Code:
Phone Number (include area code): (b) (6)	E-mail: (b) (6)		Phone Number (include area code):	E-mail:	

3. PROJECT NAME or TITLE: known as Exploration/Location No. L500008		4. PROJECT STREET ADDRESS: One mile North of Riggins on Hwy. 95		
5. PROJECT COUNTY: Idaho	6. PROJECT CITY: Riggins	7. PROJECT ZIP CODE: 83549	8. NEAREST WATERWAY/WATERBODY: Salmon River	
9. TAX PARCEL ID#: IDL Trust Lands	10. LATITUDE: 45.4222 degrees N LONGITUDE: 116.3158 degrees W	11a. 1/4: NE / 11b. 1/4: NE / 11c. SECTION: 10	11d. TOWNSHIP: 24N	11e. RANGE: 1E
12a. ESTIMATED START DATE: July 15, 2014	12b. ESTIMATED END DATE: November 30, 2018	13a. IS PROJECT LOCATED WITHIN ESTABLISHED TRIBAL RESERVATION BOUNDARIES? ☒ NO ☐ YES Tribe:		
13b. IS PROJECT LOCATED IN LISTED ESA AREA? ☐ NO ☒ YES		13c. IS PROJECT LOCATED ON/NEAR HISTORICAL SITE? ☒ NO ☐ YES		

14. DIRECTIONS TO PROJECT SITE: Include vicinity map with legible crossroads, street numbers, names, landmarks.

Approximately 1 mile North on US Hwy. 95 of Riggins, Idaho. At mile marker 197 and more specifically between mile markers 196 and 198.
Note: I am filing on the existing ½ mile of riverbed known as Exploration/Location No. L500008 and at the same time I am working on a lease that is 1 mile of riverbed. Please allow for any discrepancy that may arise in this respect.

15. PURPOSE and NEED: ☒ Commercial ☐ Industrial ☐ Public ☐ Private ☐ Other

Describe the reason or purpose of your project; include a brief description of the overall project. Continue to Block 16 to detail each work activity and overall project.

I have Located the mineral, gold on Exploration/Location No. L500008 and to mine said deposit using suction dredging techniques. I intend to mine 1 mile of the underwater portion of the bed of the Salmon River for the duration of a 5 year lease.

SCANNED
MAR 10 2014

16. DETAILED DESCRIPTION OF EACH ACTIVITY WI OVERALL PROJECT. Specifically indicate portions that take place waters of the United States, including wetlands: Include dimensions; equipment, construction, methods; erosion, sediment and turbidity controls; hydrological changes: general stream/surface water flows, estimated winter/summer flows; borrow sources, disposal locations etc.:

I plan to suction dredge mine that portion of the bed of the Salmon River which is in the 1 mile lease that I am making application for and is underwater. I plan to use either an 8" dredge nozzle size or two 5" dredges nozzle size in tandem. I also plan to incorporate a floating electric winch for safety in dealing with rock and boulders that are too heavy to lift or move any distance by hand. I will not be using any special equipment for construction or erosion, sediment and turbidity controls and do not anticipate causing any hydrological changes. The Salmon River was flowing at 3340 cfs at the gauge at Whitebird, Idaho on August 28. 2013 which was the last day that I worked in-stream on this Exploration/Location No. L500008. The flow for Today, February 10, 2014 is 3720 cfs at the gauge at Whitebird, Idaho and both readings fall well within the historical averages. Due to the fact that my proposed method of mining this lease is the most efficient, the most economical and the most environmentally friendly, I do not anticipate the borrow sources, disposal locations and reclamation bonding to be an issue due to spring flooding reclaiming all mined areas year over year.

17. DESCRIBE ALTERNATIVES CONSIDERED to AVOID or MEASURES TAKEN to MINIMIZE and/ or COMPENSATE for IMPACTS to WATERS of the UNITED STATES, INCLUDING WETLANDS: See Instruction Guide for specific details.

In the consideration of gold mining as a whole industry, the suction dredge method is the best alternative and in my estimation is the most efficient for this type of deposit. I will be incorporating the best methods available to leave little trace and do not anticipate having any impacts on water or water quality. All changes to the stream channel will be temporary and will not harm the environment.

18. PROPOSED MITIGATION STATEMENT or PLAN: If you believe a mitigation plan is not needed, provide a statement and your reasoning why a mitigation plan is NOT required. Or, attach a copy of your proposed mitigation plan.

It is my understanding that the bond requirements will be in place and will be determined in a site-specific assessment performed by the Idaho Dept. of Lands. I however, do not believe that this form of mitigation plan is necessary as the river itself goes through a high water flow during spring run off, which is natural and very violent. The underwater portions of the riverbed in which I plan to work will be naturally reclaimed on an annual basis and it makes no difference whether I work the river or not, the results of this massive water flow will continue to be the same with respect to the aquatic environment.

19. TYPE and QUANTITY of MATERIAL(S) to be discharged below the ordinary high water mark and/or wetlands:

Dirt or Topsoil:	_____	cubic yards
Dredged Material:	49	cubic yards
Clean Sand:	_____	cubic yards
Clay:	_____	cubic yards
Gravel, Rock, or Stone:	_____	cubic yards
Concrete:	_____	cubic yards
Other (describe): _____	_____	cubic yards
Other (describe: _____	_____	cubic yards

TOTAL: annual rate of 49 cubic yards

20. TYPE and QUANTITY of impacts to waters of the United States, including wetlands:

Filling:	_____ acres	_____ sq ft.	_____	cubic yards
Backfill & Bedding:	_____ acres	_____ sq ft.	_____	cubic yards
Land Clearing:	_____ acres	_____ sq ft.	_____	cubic yards
Dredging:	_____ acres	_____ sq ft.	_____	cubic yards
Flooding:	_____ acres	_____ sq ft.	_____	cubic yards
Excavation:	_____ acres	_____ sq ft.	_____	cubic yards
Draining:	_____ acres	_____ sq ft.	_____	cubic yards
Other: _____	_____ acres	_____ sq ft.	_____	cubic yards

TOTALS: _____ acres _____ sq ft. _____ cubic yards

21. HAVE ANY WORK ACTIVITIES STARTED ON THI OJECT? ☐ NO ☒ YES If yes, describe ALL wo has occurred including dates.

I have worked with an exploration/location permit beginning on July 24, 2012 and ending on September 30, 2012. I filed and affidavit of assessment work and I paid royalties on all of the gold that I recovered during this work period. I also worked this exploration/location from August 1, 2013 to August 28, 2013. I worked with a 5" dredge nozzle size and 15 horsepower rating. I sampled by prospecting individual holes through the overburden to bedrock to recover gold and to assess the value of each prospect site.

22. LIST ALL PREVIOUSLY ISSUED PERMIT AUTHORIZATIONS:

I have applied for and received a recreational dredge permit from the Idaho Dept. of Water Resources from the year 2000 to the past mining season of 2013 and my current letter permit is valid statewide until March 31, 2014. I have an active exploration/location for riverbed minerals discovery. It is a 2 year permit and expires on March, 1, 2014

23. ☒ YES, Alteration(s) are located on Public Trust Lands, Administered by Idaho Department of Lands

24. SIZE AND FLOW CAPACITY OF BRIDGE/CULVERT and DRAINAGE AREA SERVED: N/A Square Miles

25. IS PROJECT LOCATED IN A MAPPED FLOODWAY? ☒ NO ☐ YES If yes, contact the floodplain administrator in the local government jsrisdiction in which the project is located. A Floodplain Development permit and a No-rise Certification may be required.

26a WATER QUALITY CERTIFICATION: Pursuant to the Clean Water Act, anyone who wishes to discharge dredge or fill material into the waters of the United States, either on private or public property, must obtain a Section 401 Water Quality Certification (WQC) from the appropriate water quality certifying government entity.
See Instruction Guide for further clarification and all contact information.

The following information is requested by IDEQ and/or EPA concerning the proposed impacts to water quality and anti-degradation:

☐ NO ☒ YES Is applicant willing to assume that the affected waterbody is high quality?
☒ NO ☐ YES Does applicant have water quality data relevant to determining whether the affected waterbody is high quality or not?
☐ NO ☒ YES Is the applicant willing to collect the data needed to determine whether the affected waterbody is high quality or not?

26b. BEST MANAGEMENT PRACTICTES (BMP's): List the Best Management Practices and describe these practices that you will use to minimize impacts on water quality and anti-degradation of water quality. All feasible alternatives should be considered - treatment or otherwise. Select an alternative which will minimize degrading water quality

I plan to continue to incorporate the use of a suction dredge(s) and therefor I will be using the most environmentally friendly method to mine for gold that have ever been developed. I have not in the past nor will I in the future entertain the idea of putting anything into the water that was not already there. I use the best management practices that I have discussed with the Idaho Dept. of Lands for any fuel used for refueling dredge motors. At no time do I use processes which include the introduction of chemicals or other locatable minerals into the water and do not see any benefit to such consideration.

Through the 401 Certification process, water quality certification will stipulate minimum management practices needed to prevent degradation.

27. LIST EACH IMPACT to stream, river, lake, reservoir, including shoreline: Attach site map with each impact location.

Activity	Name of Water Body	Intermittent Perennial	Description of Impact and Dimensions	Impact Length Linear Feet
Suction Dredge Mining	Salmon River	perennial	underwater tailing piles working into self reclamation 30' wide	5,280
			TOTAL STREAM IMPACTS (Linear Feet):	5,280

28. LIST EACH WETLAND IMPACT include mechanized clearing, fill excavation, flood, drainage, etc. Attach site map with each impact location.

Activity	Wetland Type: Emergent, Forested, Scrub/Shrub	Distance to Water Body (linear ft)	Description of Impact Purpose: road crossing, compound, culvert, etc.	Impact Length (acres, square ft linear ft
				0
			TOTAL WETLAND IMPACTS (Square Feet):	0

Name: (b) (6) (lot 1) Mailing Address: (b) (6) City: McCall State: Idaho Zip Code: 83638 Phone Number (include area code): (b) (6) E-mail: (b) (6)	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: (b) (6) Mailing Address: (b) (6) City: Lucile State: Idaho Zip Code: 83542 Phone Number (include area code): (b) (6) E-mail: n/a	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:

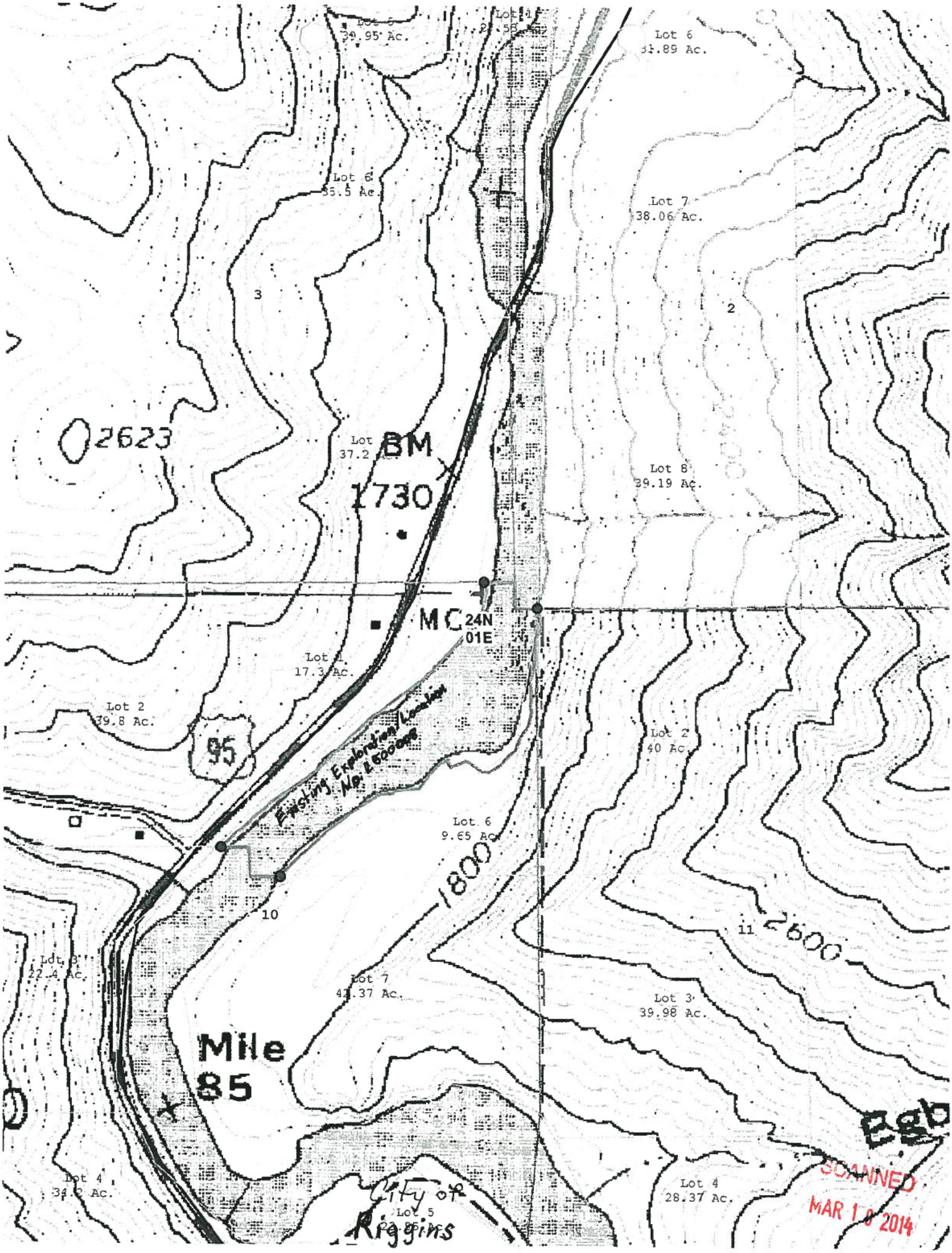
30. SIGNATURES: STATEMENT OF AUTHORIAZATION / CERTIFICATION OF AGENT / ACCESS

Application is hereby made for permit, or permits, to authorize the work described in this application and all supporting documentation. I certify that the information in this application is complete and accurate. I further certify that I possess the authority to undertake the work described herein; or am acting as the duly authorized agent of the applicant (Block 2). I hereby grant the agencies to which this application is made, the right to access/come upon the above-described location(s) to inspect the proposed and completed work/activities.

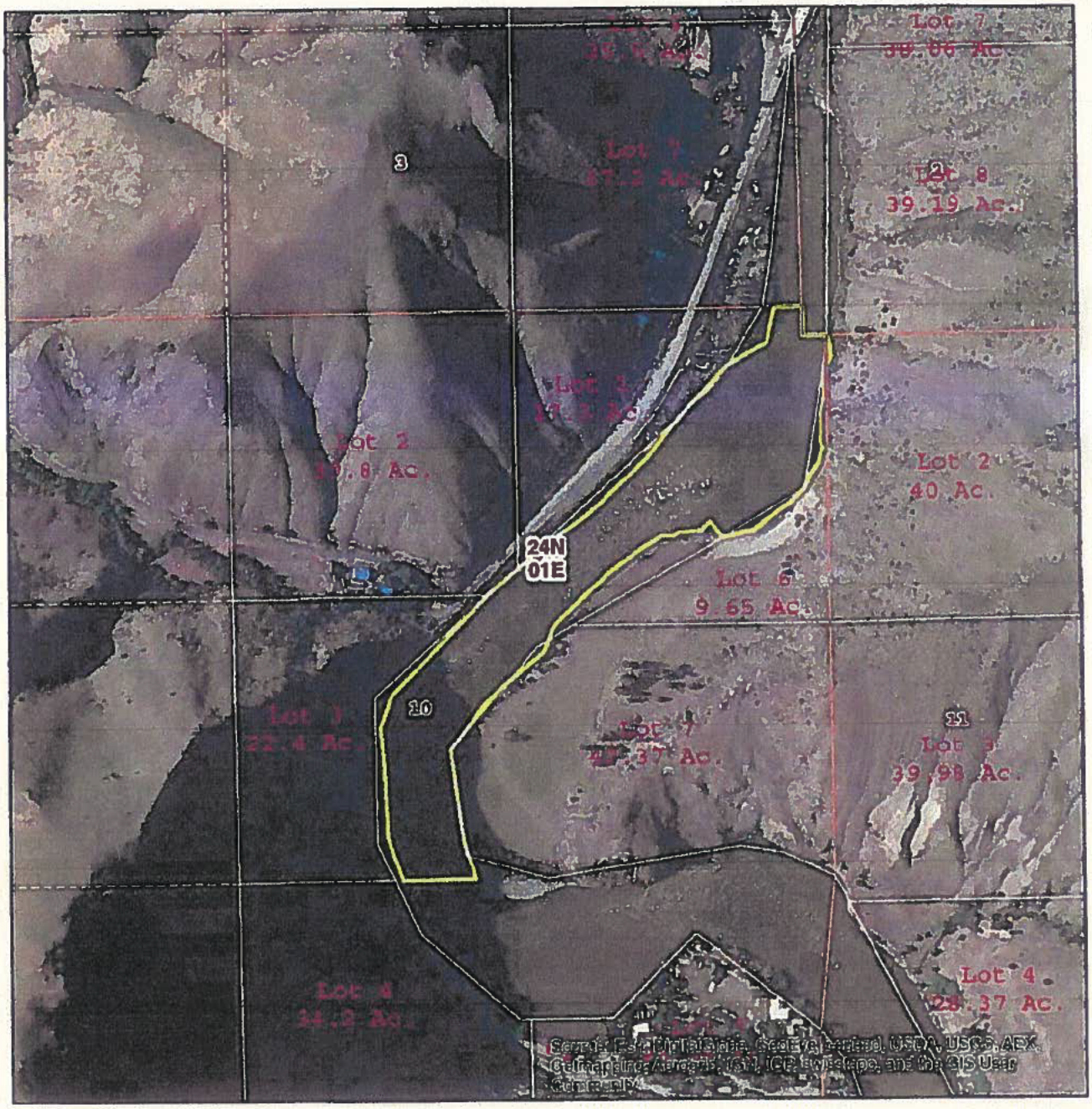
Signature of Applicant: Donald G. Smith *Date:* Feb. 11, 2014

Signature of Agent: _____ *Date:* _____

This application must be signed by the person who desires to undertake the proposed activity AND signed by a duly authorized agent (see Block 1, 2, 30). Further, 18 USC Section 1001 provides that: "*Whoever, in any manner within the jurisdiction of any department of the United States knowingly and willfully falsifies, conceals, or covers up any trick, scheme, or disguises a material fact or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than $10,000 or imprisoned not more than five years or both*".


Lot 6
30.95 Ac.
Lot 1
2.58
Lot 6
31.89 Ac.
Lot 6
35.5 Ac.
Lot 7
38.06 Ac.
3
2
02623
Lot
37.2
BM
1730
Lot 8
39.19 Ac.
MC
24N
01E
Lot 1
17.3 Ac.
Lot 2
39.8 Ac.
95
Existing Exploration Location
No. 2 600 ft
Lot 2
40 Ac.
Lot 6
9.65 Ac.
1800
10
11
2600
Lot 3
22.4 Ac.
Lot 7
41.37 Ac.
Lot 3
39.98 Ac.
Mile
85
Lot 4
34.3 Ac.
City of
Riggins
Lot 5
Lot 4
28.37 Ac.
Egb
SCANNED
MAR 1 0 2014

Don Smith - Mineral Lease Area



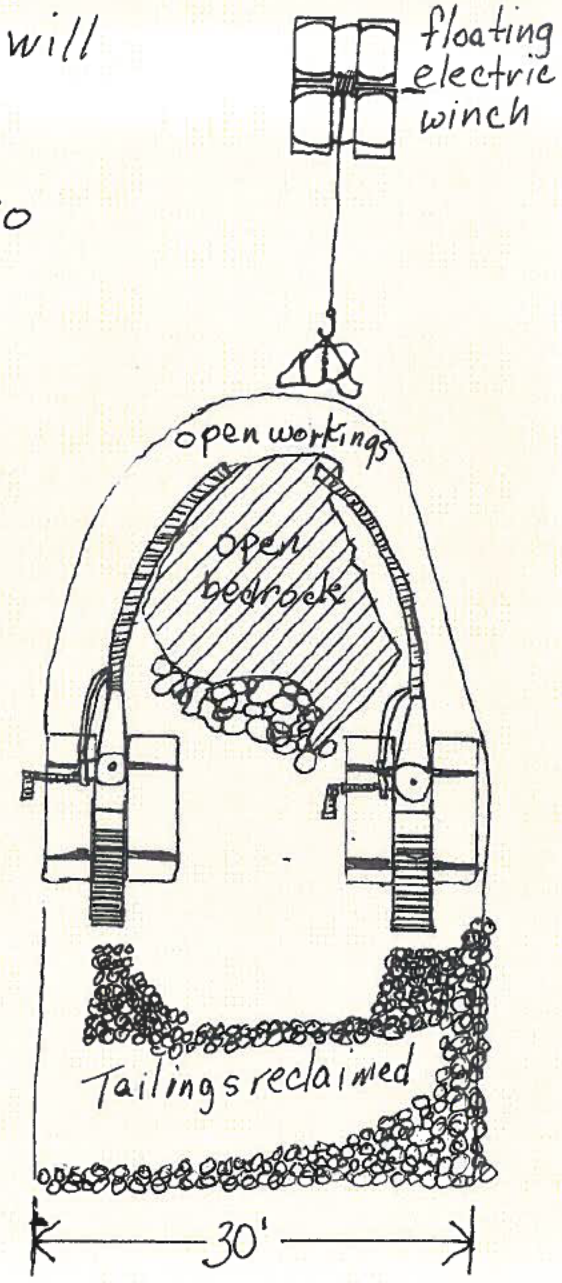
0 0.125 0.25 0.5 Miles

Legend

- Townships
- Sections
- Govt Lots
- QuarterLines
- QuarterquarterLines
- Lease Area

T24N R1E Section 10
Bed of the Salmon River
Adj to Gov. Lots: 1,2,3,6, 7
Endowment GF, 16.62 Acres

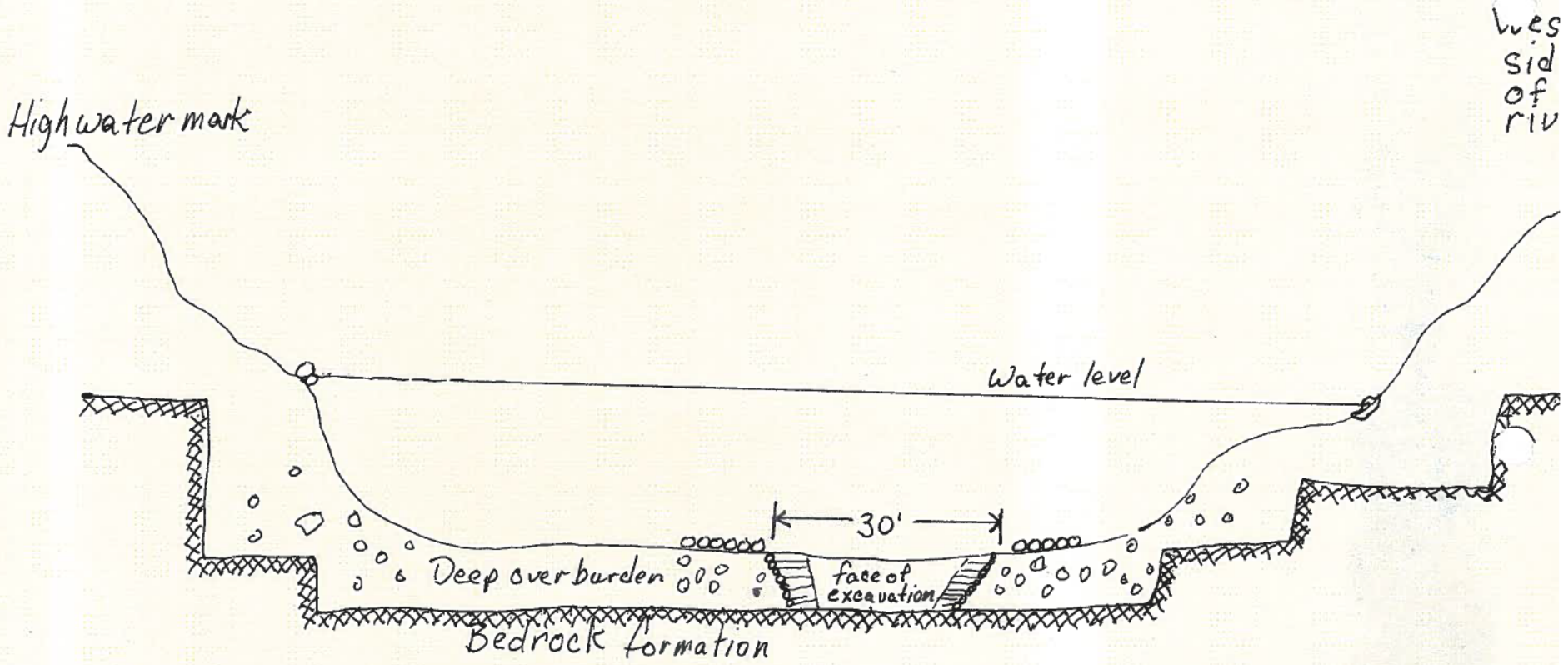
I have discovered the locatable mineral gold on State of Idaho Trust lands. To efficiently mine a lease I need to use either a 8" nozzle size dredge or two 5" nozzle size dredges as is in this illustration. I also will need the floating electric winch for safety. I am also planning to begin on March 1st annually and work to November 30th as the river conditions permit.



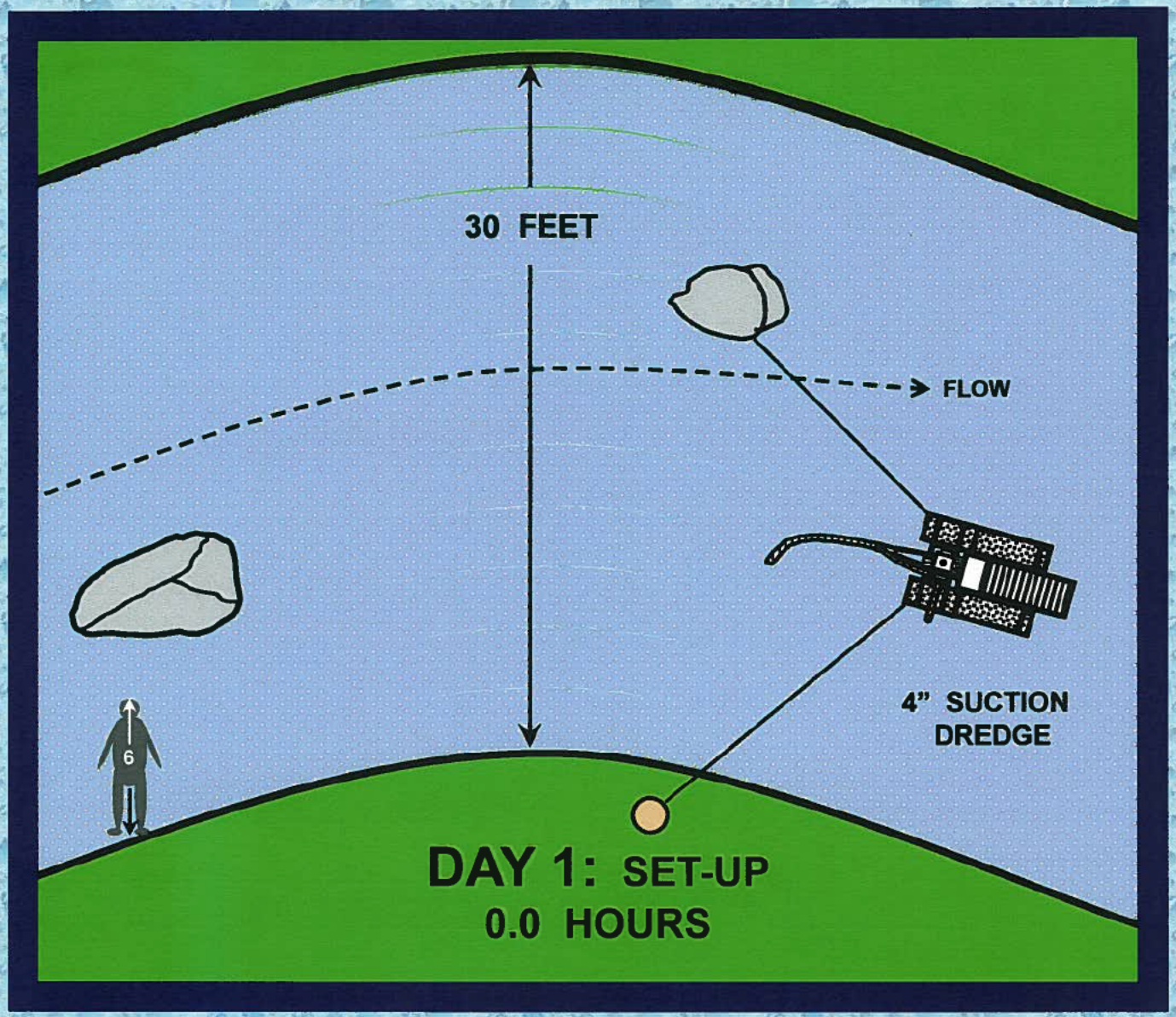
East

direction of river flow

Cross section facing upriver.
I am depicting a 30' working width because the gravels are 8 feet deep and sometimes they are deeper.



PROGRESSION OF A TYPICAL 4" SUCTION DREDGE OPERATION



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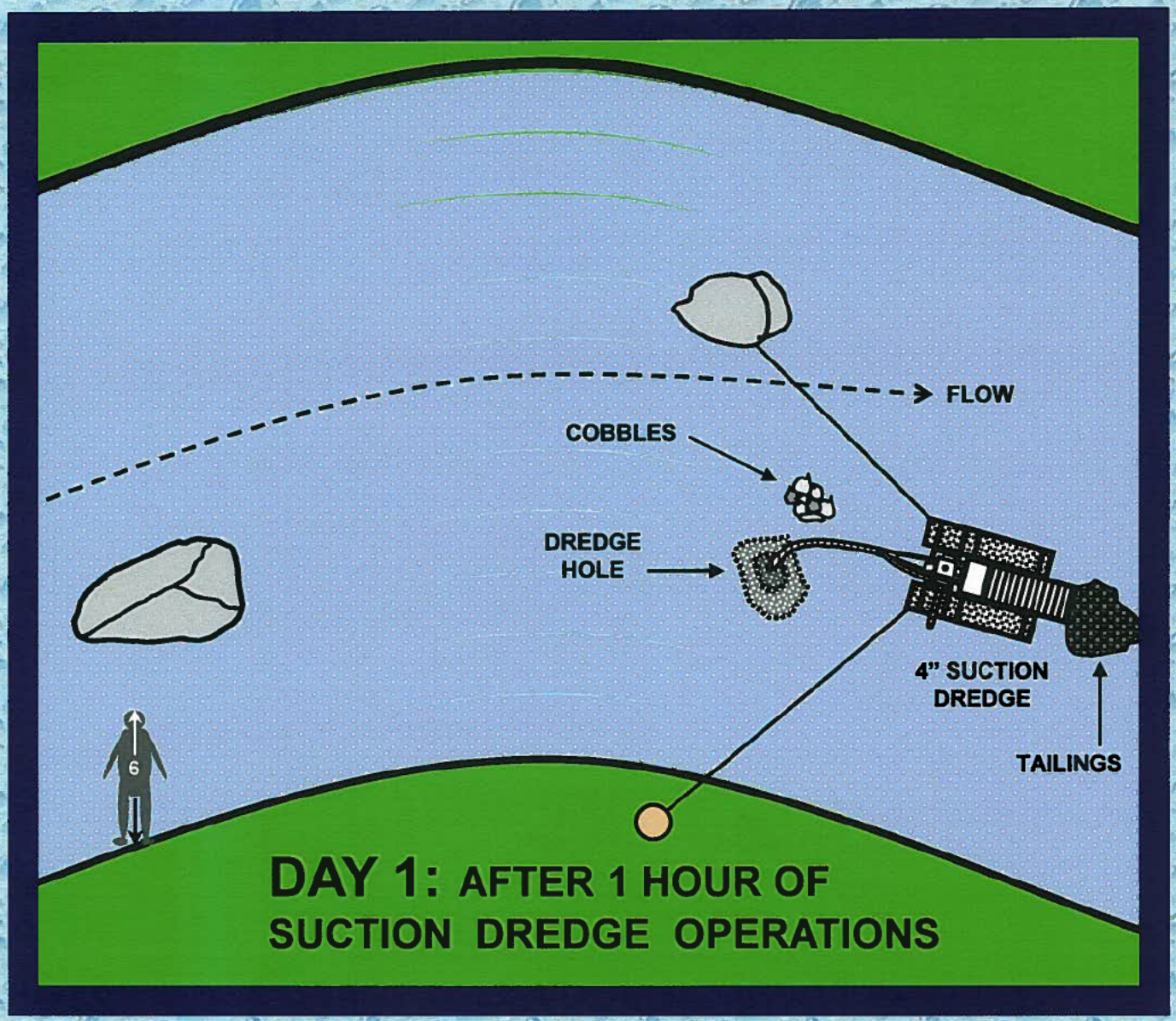

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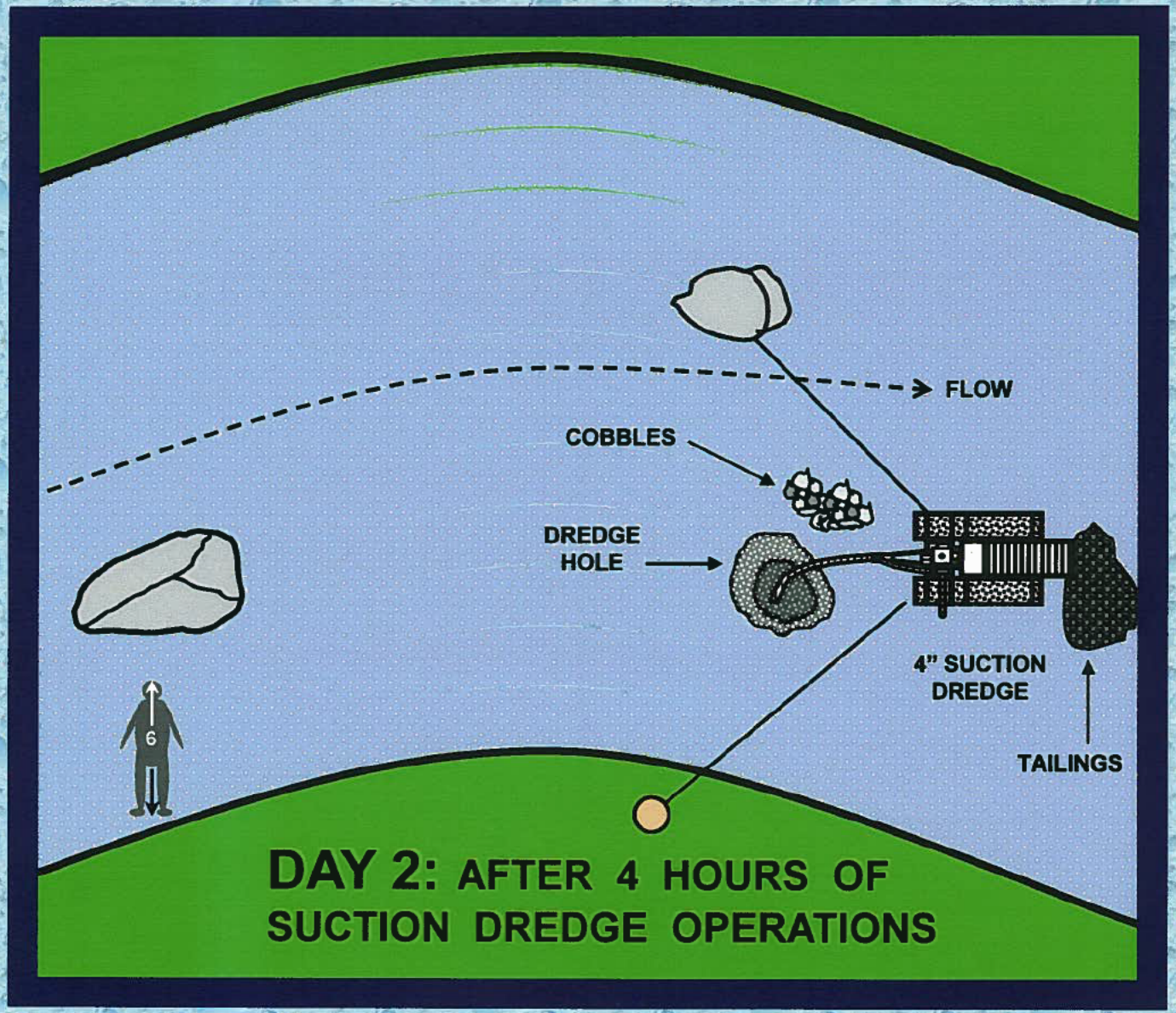

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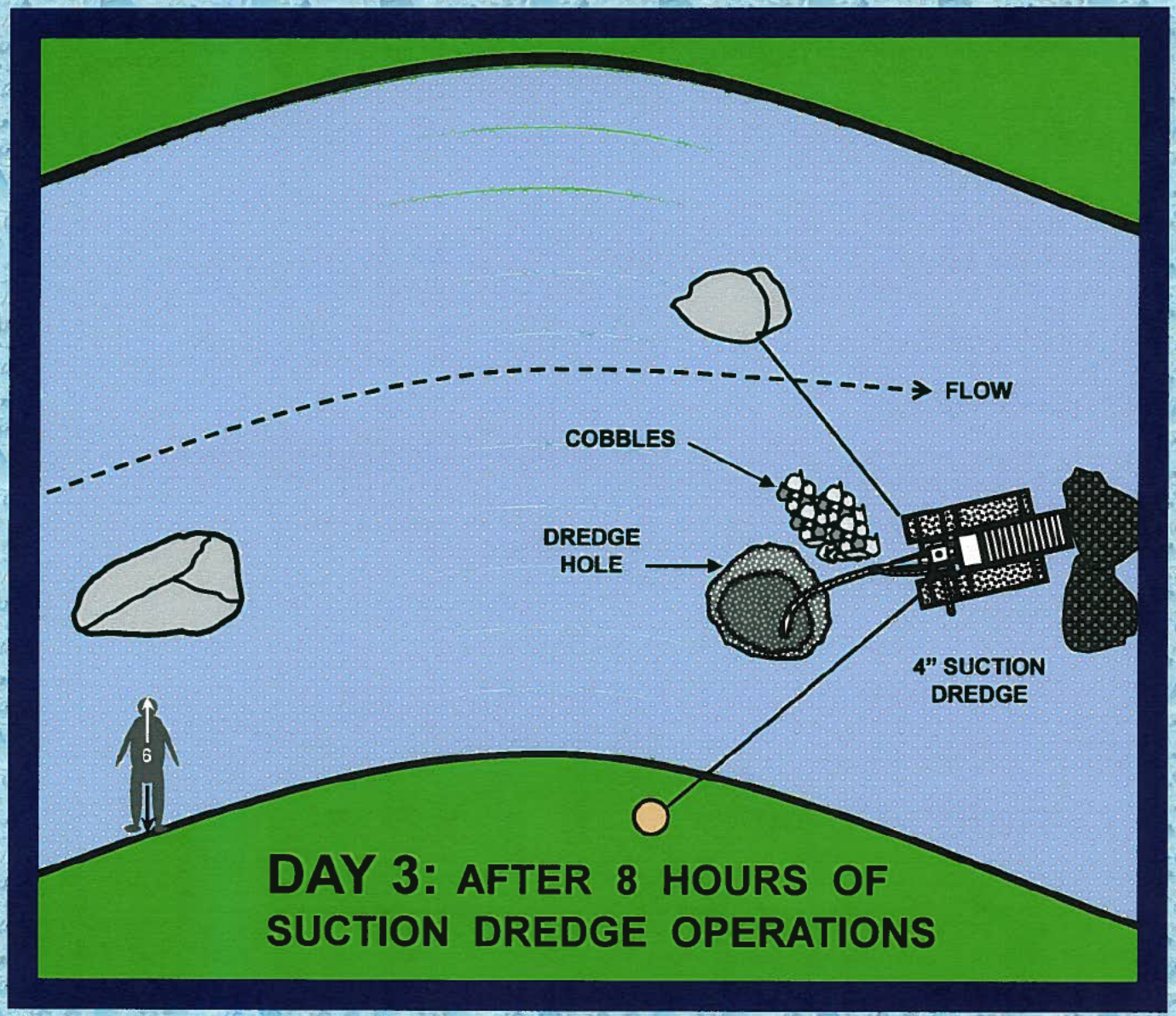

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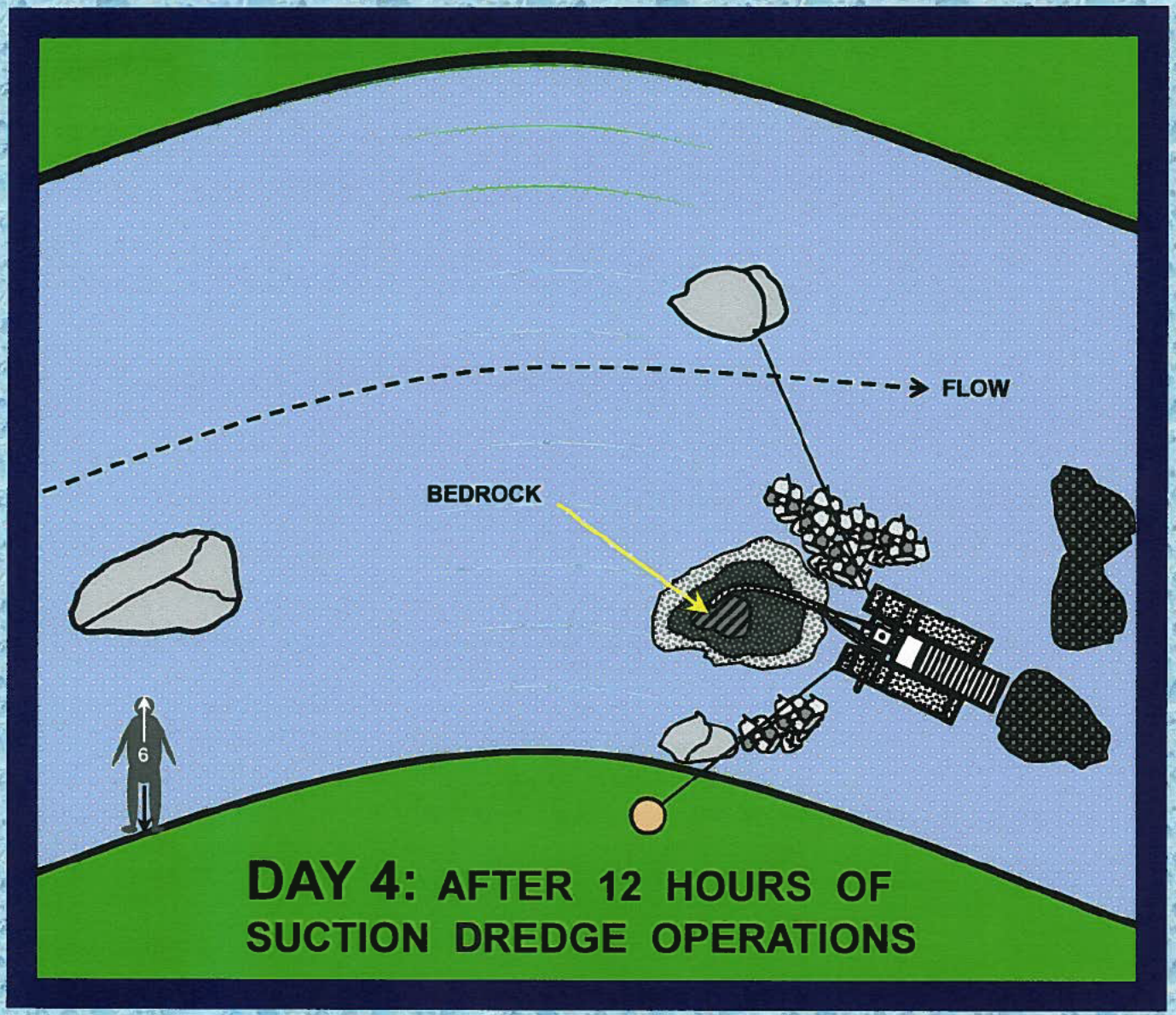

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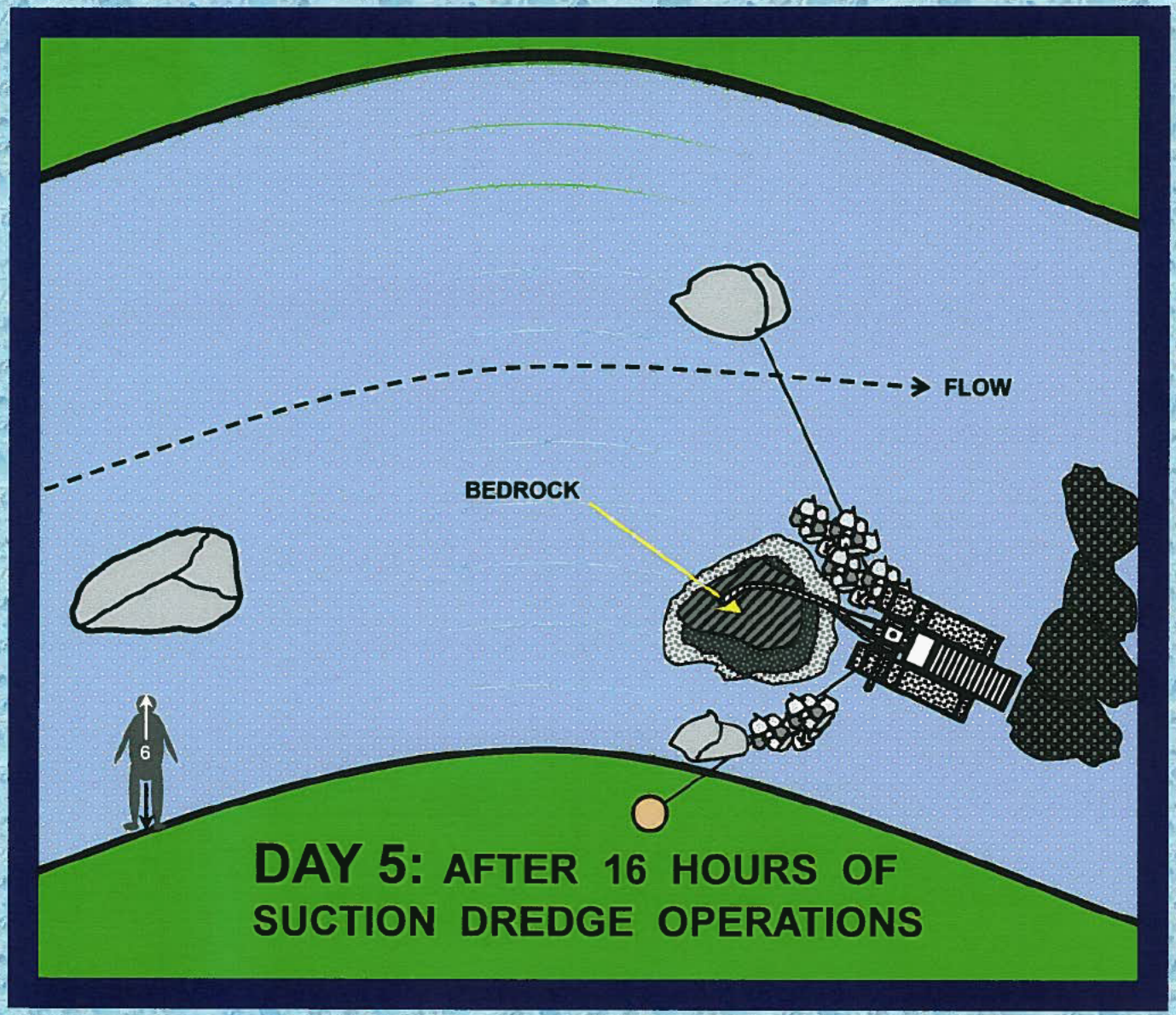

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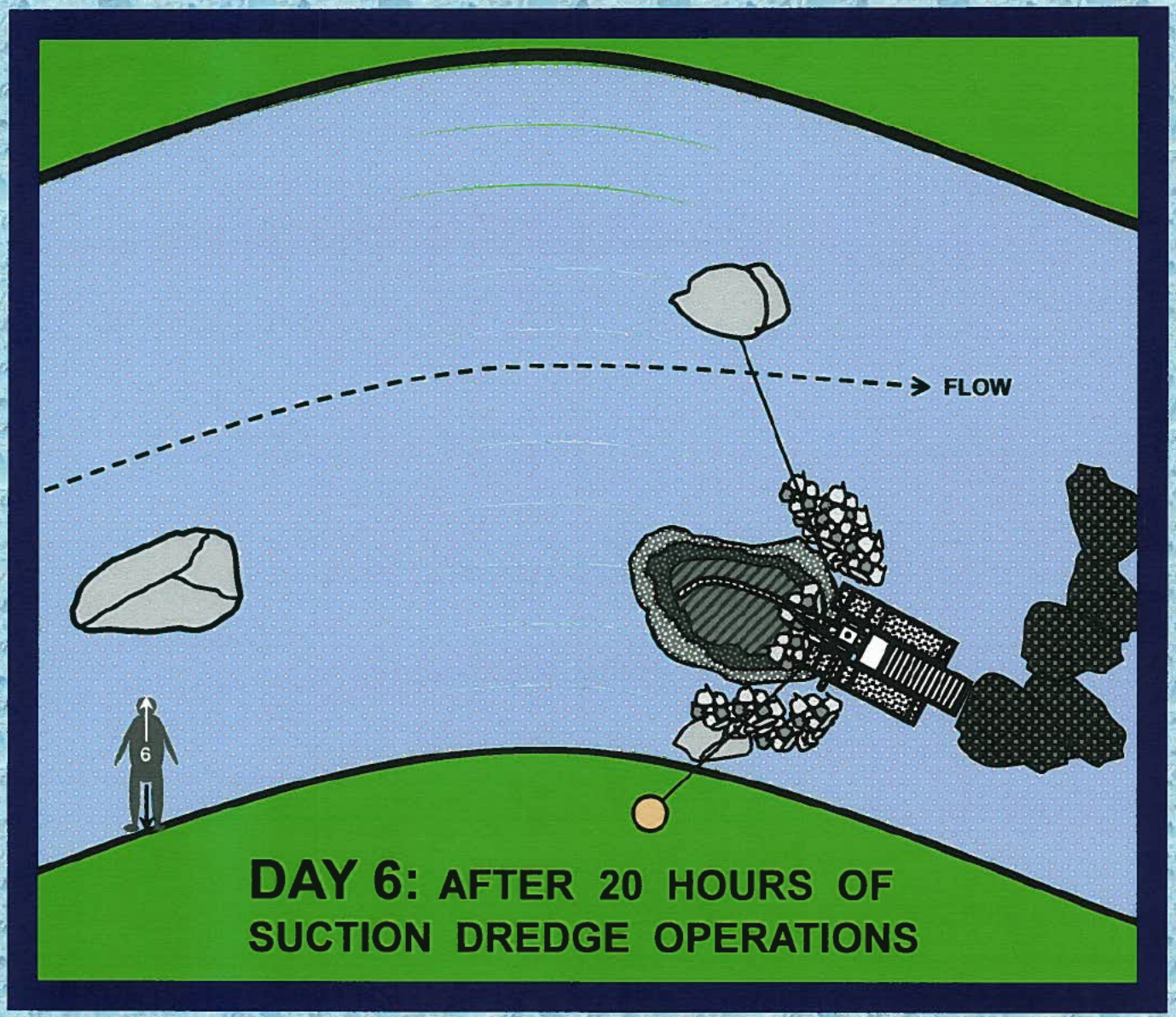

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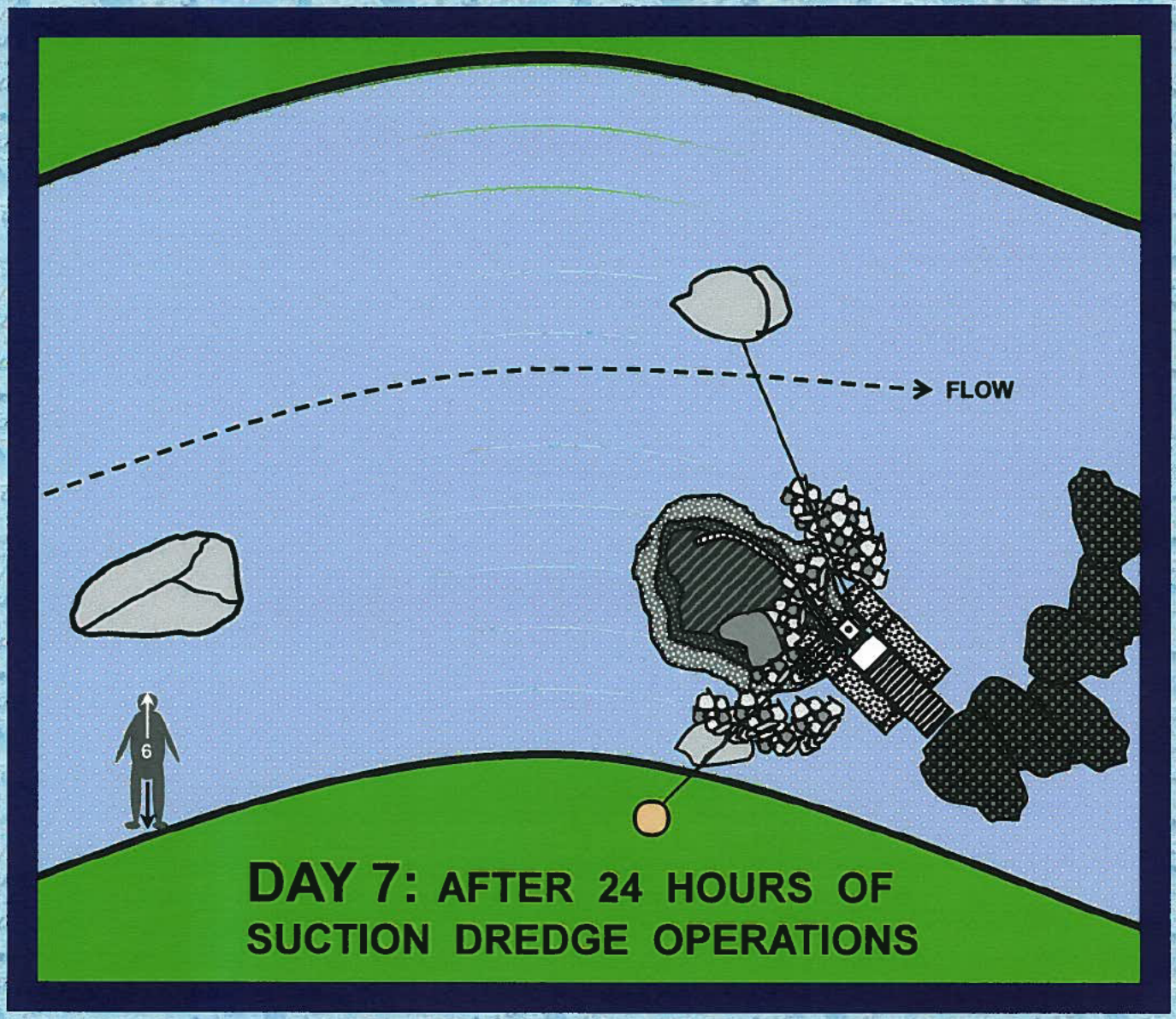

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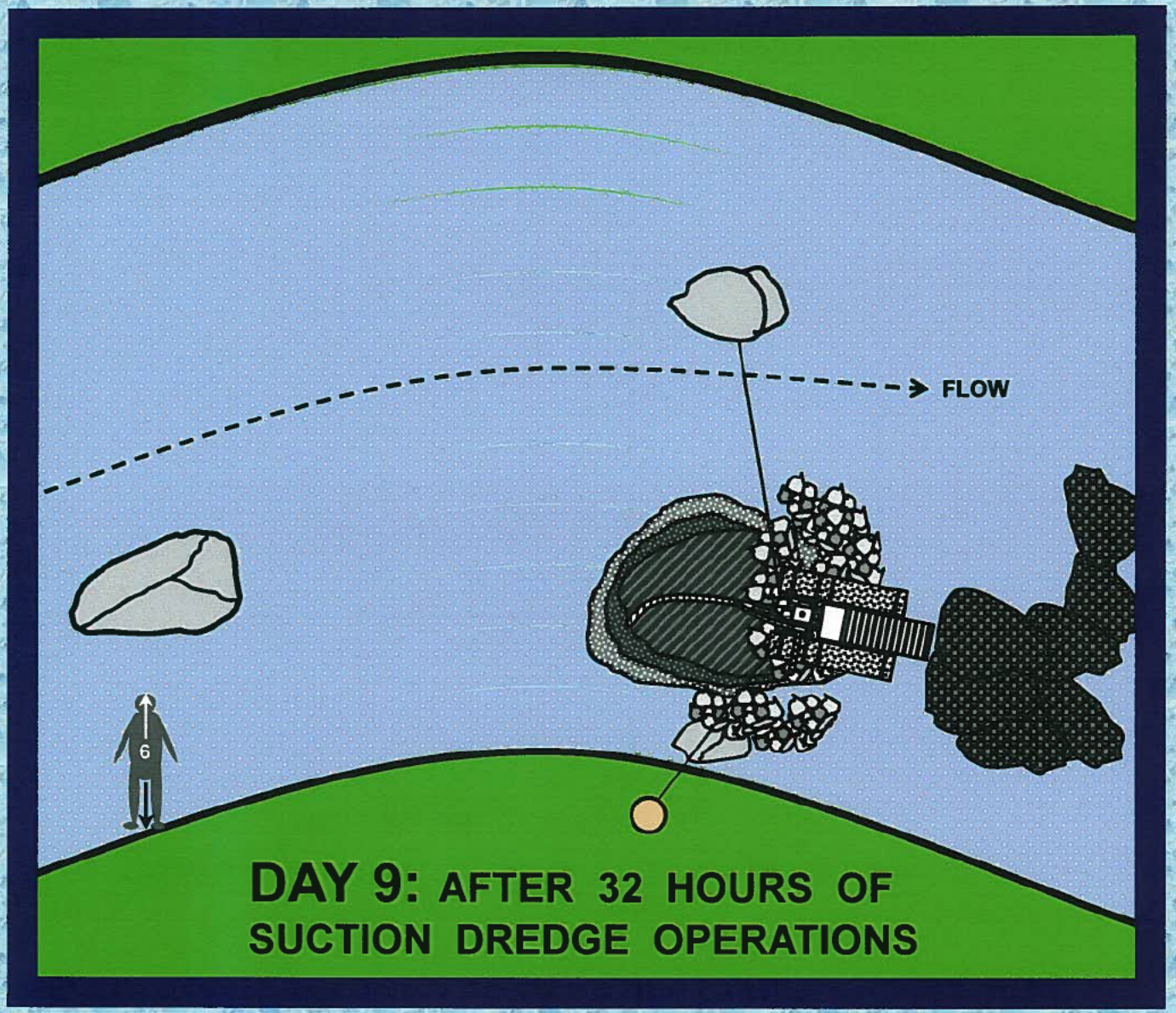
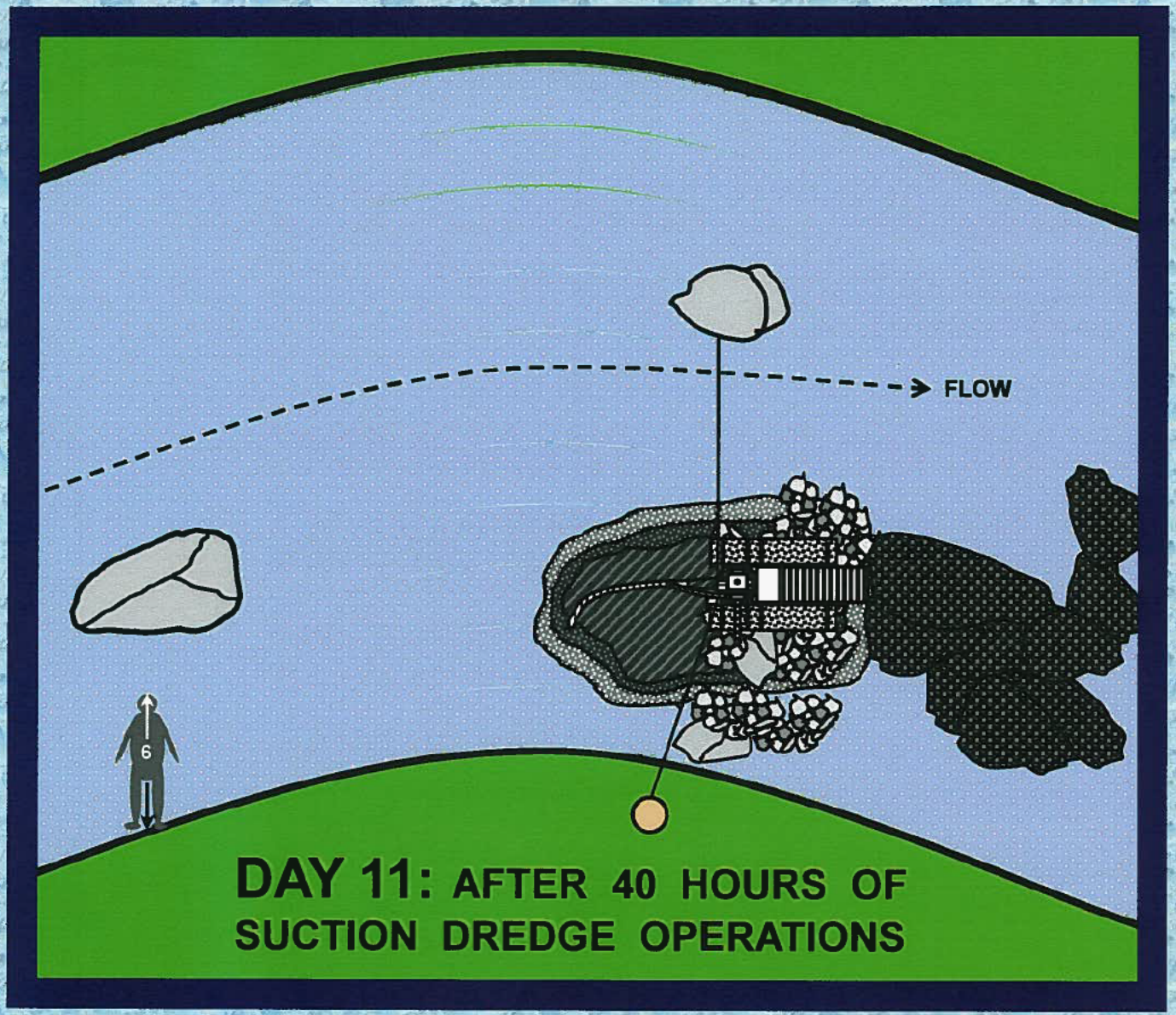
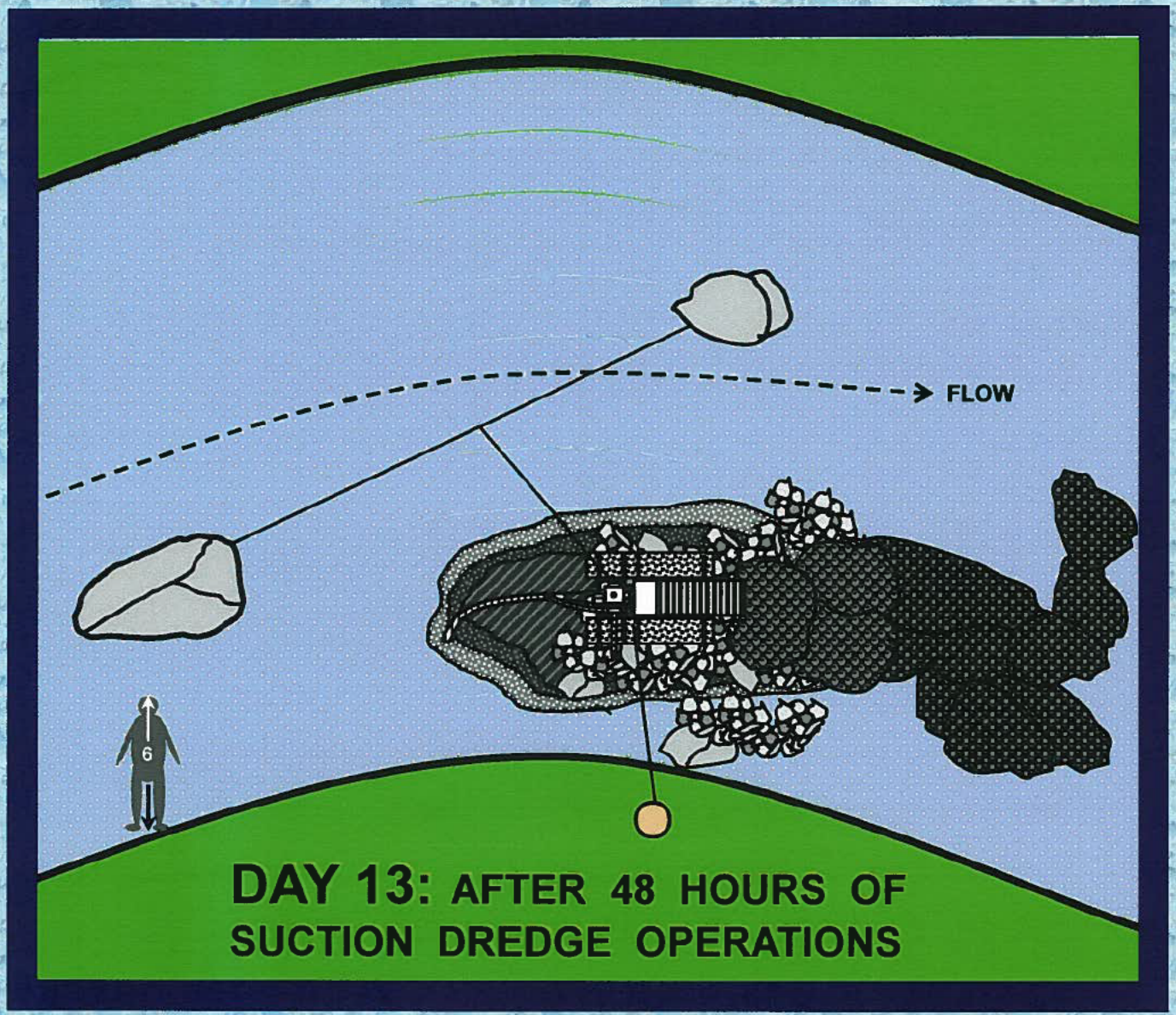


PROGRESSION OF A TYPICAL 4" SUCTION DREDGE OPERATION



PROGRESSION OF A TYPICAL 4" SUCTION DREDGE OPERATION



PROGRESSION OF A TYPICAL 4" SUCTION DREDGE OPERATION